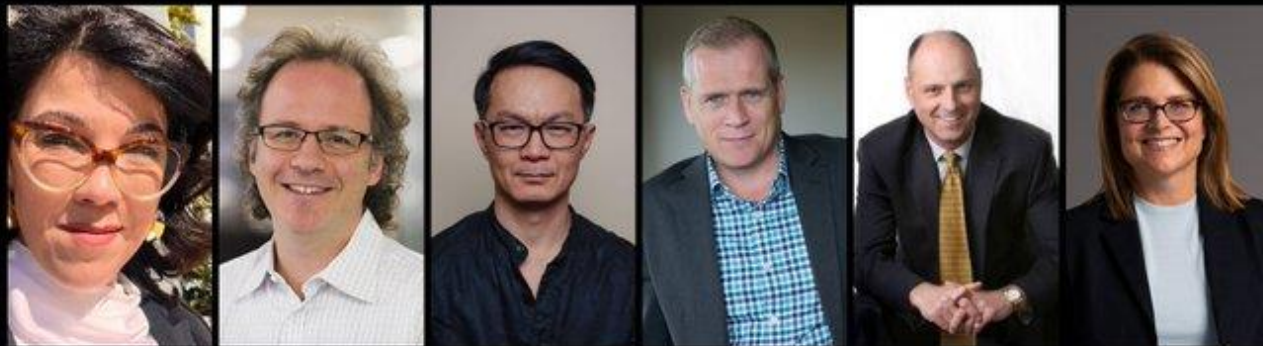


J-TalksLive

BILL C-18: WHAT'S AT STAKE FOR JOURNALISM AND CANADIAN DEMOCRACY?



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Bill C-18: What's at Stake for Journalism and Canadian Democracy? Canadian Journalism Foundation - September 20, 2023

Natalie Turvey

Hello everyone, my name is Natalie Turvey. I'm president and executive director of the Canadian journalism Foundation. And it's my pleasure to welcome you to today's J-Talks live webcast Bill C-18: What's at stake for journalism and Canadian democracy. We're thrilled to have more than 450 attendees joining us online across the country for this discussion exploring the future of journalism in Canada. As we kick off a new season, we're grateful for the continued generosity of our exclusive J-Talk series sponsor, TD Bank Group for making these conversations possible. Thanks also to our inkind supporters, decision, and to CPAC, our broadcast partner for this event. If you enjoy these talks, and would like to support the work of the CJF you can donate now, or at any time on the CJF website. We're delighted to be back with a new fall season of virtual and in person events. We have an exciting lineup planned for the Fall featuring leading journalist like Connie Walker and Lydia, Paul Green, and many others. So make sure you're subscribed to our mailing list and our social media channels so that you'll always be in the know. Today's program is an hour long and you can submit questions for our speakers at any time via the tab on your screen. Before we begin, I would like to acknowledge the indigenous peoples of the lands that were on today. While we meet on a virtual platform, we would like to take a moment to recognize the importance of the land that we each call home. The Canadian journalism foundations office is

situated on the traditional territory of many nations, including the Mississaugas of the credit, the Anishinabek, Chippewa, the Hodashoni, and the Wendat peoples. And we are privileged to live and work in these territories.

We've come together today to delve into a pivotal development reshaping the Canadian media landscape. On June 22, the Canadian government passed bill C-18. The online news act aimed at rebalancing the relationship between news businesses and tech giants. The legislation effective no later than 180 days after royal assent, which is December 19, compels tech companies like Google and Facebook to compensate news organizations for content linked to their platforms. In response, Meta has since blocked Canadian news on Facebook and Instagram. And Google has said it may follow suit, with a risk that both companies pulled news content permanently.

Our esteemed panel is here to examine the multifaceted implications of Bill C-18. On Journalism, Media outlets, news, consumers and Canadian democracy. We're honored to have them with us today. You can find their full bios on our event page. Let's meet them and set up our conversation. Tai Huynh is the driving force behind The Local, an online magazine championing social issues in Toronto. Tai and The Local team have argued that, without amendments, Bill C-18 risks disproportionately benefiting large news organizations and shutting out digital startups and independent media. We'll hear Tai's perspective on why Canada's online news act must be transparent, fair and inclusive, especially for news innovators.

Dr. Michael Geist is a leading authority and Internet and E-commerce law with a wealth of knowledge and a critical eye on Bill C-18. He has been part of the national conversation on this legislation and on what lies ahead. Dr. Geist has argued that the end result of this bill at least for now is a legislative mess that leaves no clear winners. He'll shed light on the intricacies of Bill C-18. And its potential impacts on Canada's digital landscape.

Natalie Campbell is a seasoned expert in government affairs for the Internet Society. She has co-authored an illuminating analysis of Bill C-18's potential effects on the Internet, highlighting how this legislation may harm innovation, security and the digital economy. We look forward to your insights to gain a deeper understanding of how the online news act could change the relationship between Canadians and the Internet.

Brian Myles is the publisher of Le Devoir and has led significant digital advancements for the news organization in his editorial 'Les médias ont gagné, mais à quel prix?' - The media won, but at what cost? He explains later, while his endorsement of C-18 centered on compensation for lost advertising dollars, and on rebalancing power between Canadian media and big tech, at the same

time, he acknowledges the value of the platforms and connecting with a diverse online audience. Brian will share his insights on the benefits and potential pitfalls of this legislation for news organizations.

Paul Samyn, a 30 year veteran of the newsroom, and editor of the Winnipeg Free Press, offers a unique perspective on journalism's evolution, and the challenges facing traditional media in the digital age. The Free Press has also supported the intent of Bill C-18. In recent editorials, Paul contends that the tech giants have swallowed advertising revenue essential for producing quality journalism, and warns that a news block will not only hurt newsrooms from coast to coast, but also the ability of Canadians to find information they can trust. We look forward to Paul's perspective on what's at stake in the debate over Bill C-18.

Our panel is in conversation with Dr. Mary Lynn Young, professor at UBC School of Journalism, writing and media. She's a former journalist, also a researcher, author and co-founder of The Conversation Canada, a news organization dedicated to sharing insights from academics. We're honored to have Mary Lynn lead this timely discussion to help us understand what is happening now, how we got here, and what this government intervention means for the news ecosystem going forward.

Mary Lynn, it is my pleasure to hand this conversation over to you.

Mary-Lynn Young

Thank you, Natalie. It's a pleasure to be here with our distinguished panelists. Today, I am sitting on the traditional and unceded territories of the Squamish, Musqueam, and Tsleil-Waututh nations. Our session will focus on context and possible outcomes of the current conditions around Bill C-18. And I can't imagine a more useful and knowledgeable set of guests from a wide range of perspectives gathered than the ones that we have today.

For all of you audience members who took the time to share a question, we read through those, and we've integrated some of the themes of the questions into the initial round. And then we'll be ending with a few specific questions from the audience. So let's jump right in because we only have 60 minutes today to discuss a complicated set of terrains. So I'm going to first ask Michael, Michael, can you tell us a bit about how we got here?

Michael Geist

Sure. Let me start off by thanking the organizers for the event and the opportunity to participate.

I think the answer actually depends a little bit on which here you're asking about, Is it the broad challenges that I think are widely acknowledged that the media is facing, the existence of C-18, or the mess that I think C-18's become? I'd like to, I guess, try to quickly answer all three, if I can. I'll go quickly. I think the challenges of the media and most would recognize are pretty multifaceted. You know, the Internet's brought on new competition, terms of wanting to know what's happening in the United States, I don't have to rely on a Canadian paper, I can read the New York Times, if I don't know what's happening in sports, there are lots of specialized publications, so there's a lot more competition, there's been a loss of some of the major revenue sources that many of the media had. Classified ads are often cited. And there's obviously competition for digital ads, the platforms offering what I think are generally recognized as certainly more targeted, more efficient digital ads. And so we've seen many of those ad dollars shift.

Those challenges, though, don't explain really why we've got the bill and why we've got the mess. To me, the Bill C-18, is really the result of a confluence of a very successful lobbying campaign to be sure, combined with I think, changing perceptions of big tech companies and much more critical perspective on those tech companies. So, whereas the government started by saying they need to do something, and the initial emphasis was on things like local journalism initiative or tax credits for labor, the labor journalism tax credit, so more focused on government direct support, and some pressure that led to private deals between some of the platforms and media companies in Canada, I think, ongoing lobbying, saying, you know, more was needed, combined with the view that Australia had tried this and tech companies seemed like a likely source to target, the government just moved ahead.

And they moved ahead, I think, thinking that this was simply going to be a political win, more money for the sector. Didn't see a lot of negative consequences here, and it wasn't coming out of taxpayer or dollars. But perhaps most important is, why do we find ourselves in the mess that we find ourselves with Meta blocking, frankly, not just Canadian news, but all news on their platform, the prospect that Google may do the same. Real harm, we already know, to some innovative companies, and I think regulations that are already trying to shift things a little bit, but it's not clear whether they're necessarily going to work.

And I would say the preeminent reason for this was frankly, just a bad bet. A bet that I think the groups that lobbied for this, and the government itself, thought that they could effectively force the platforms to both link and to pay. And the idea was, they recognized, I think, that you couldn't force, or you ought not to be able to force, someone both to pay for links and to link. But if they required payments for links, I think the prevailing view within government, and within the groups that supported the legislation, was platforms would have no choice but to continue to link that

news was too valuable, so they would continue to link and therefore they would have to pay. Like it was a misread of what took place in Australia, I think was a misread of where these companies are. And I think it's a misread of the value of news on those platforms.

And so, having essentially, thought it was a bluff, that the companies are now calling their bluff. That's I think the primary reason, but quickly, three additional things. Just to highlight first, I don't think there was a lot of interest in competing views. We saw during committee hearings, attempts to cut off debate where many players were not even given an opportunity to appear before committee. We've seen, I think, with respect, skewed coverage in Canadian media, where if you only read many Canadian media sources, you think that this legislation has wide support, is great, and that tech companies are nothing but evil, and rarely even references to the ideas of payments for links. I think that there was limited interest in compromise. We see that, I think, with the regulations that we've seen.

And I think perhaps most troublingly, and it ties in with the title of this event, I think there's been a willingness to compromise. I think even on press independence, we've got News Media Canada now asking the government to increase labor journalism tax credit from up to 35% of news costs, we've got expectations that this could, Bill C-18, if everybody played ball, constitute another 35% of news costs. And I think we ought to be asking ourselves whether or not having government regulation, either through tax measures or by essentially mandated payments, cover 70% of news costs is both healthy, and whether it is sustainable for helping the media ecosystem.

Mary-Lynn Young

Well, thank you, Michael, for fitting all that context, and important assessments of basically how we landed where we are, I appreciate that. I'd like to shift to Natalie now. And you know, feel free to kind of amplify, disagree, with Michael, or add to to the scene that he set for how we got here. And I'd like to ask you to weigh on, what's the best possible outcome, given the conditions that we're in?

Natalie Campbell

Thank you. And thanks, again, to the organizers for having me here. It's a real pleasure. So I do agree with much of what Michael has said, there's a lot of factors that led us to be where we are now. But I think there's also another factor that has led us here, and it's a pretty big one. And that's the fact that governments, ours, and many around the world, are continuously putting forward legislation that disregards how it might impact the Internet, and specifically what it needs to exist and thrive. So, when we're asking what's the best possible outcome, I guess my question

is, for who? For those who are playing politics, and have accused big tech of being bullies and need to be seen as fighting against the bullies, this might be seen as a win.

But, and I have to say, I'm speaking as a former journalist who has worked both before and after Facebook, I can't see a good outcome for people and businesses in journalism, short of repealing the Online News Act, and rethinking how to support journalism in a way that doesn't hurt the open and global Internet. Because, when we hurt the open and global Internet, we are hurting users and businesses and everyone.

And, to be fair, it is, like I've seen the struggle, back from when I was in journalism school to now, for the news industry to keep up with the Internet. And that is not an accident. The Internet was created in a way that it can continuously evolve, to make sure that it meets our evolving needs. This is why we have things like self driving cars, or even this virtual meeting that are being powered by the Internet. At a time when the Internet was created, and this was all science fiction, that was not an accident. The Internet was created to be built upon, it was created to make sure that it was open and accessible, and that we could keep evolving our needs, and keep evolving the ways that we use it, without having to put laws in place. And we saw that very well during COVID, right? Like, look at how the Internet supported much of our daily activities continuing. For those of us who had the privilege of having access to the Internet, it was really a lifeline for a lot of people. But I think we take a lot of that for granted. And that's definitely the case for the Online News Act.

I really admired the aspirations of the Online News Act to support journalism, it was my first career. And I want to 100% value the role that journalism plays in our lives. At the same time, I also value my access to an open and global Internet, and what that does to make sure that we can ensure the free flow of information worldwide. And what the Online News Act is that it imposes restrictions on the open and global Internet in a way that takes basic Internet functions, like URLs, and gives CRTC the centralized power to control how we, as users and businesses, and journalists, can use them online. And the minute we start to centralize control of basic Internet functions that were created to make sure that all of us can keep having access to the open global Internet, the minute we get further from having an actual Internet in the first place.

So, to sum that up, I think the best case scenario is to see a situation for what it is, regardless of what we think of Meta and Google's decisions, we have to see, we have to recognize that these are business decisions based on a regulatory environment that no longer fully supports an open Internet. And, if we look forward, I think that the best case scenario is we start acknowledging this, and taking steps to protect the Internet, especially when we are making decisions and proposing

legislation, to make sure that there's no harm to the Internet, and everyone in Canada's access to that. Otherwise, it's, we may eventually find ourselves where there is no Internet left to save at all.

Mary-Lynn Young

Thank you, Natalie. And your response about basically the Internet, the open Internet, being a loser in in the current situation that we find ourselves is a transition to the next question. And I'd like to ask both Brian and Paul, if you can talk about who you see as the winners and losers currently, and how news outlets are trying to work around the ban?

Brian Myles

Paul, would you like to go first?

Paul Samyn

I'll start off with, I think the losers, by and large, are Canadians. Canadians who want to find out what's happening in their communities and beyond, of places that they have gone, are suddenly not... they're not finding what they've been looking for. They are trying, if they're having discussions on Facebook, they may be referencing something that happened in the community, but they can't find, for example, that sort of, for the Winnipeg Free Press, which actually said what did happen. And so, we have a situation where, right now, the ability to become informed, to find information that you can trust and depend upon, has been diminished. And that diminishment, I think, poses as part of a continuum where we have seen in this country, since between 2008 and 2021, 448 news operations have shut down in 323 communities across Canada. We had the news last week and what's happening in Metroland.

Paul Samyn

None of this is going to help the news organizations that remain. And, as much as there is, I think, what Natalie was talking about, the sort of the utopian component of the Internet, there's also some dystopian elements that I think we have to be mindful of. And, if Canadians can't find information that they can trust, if the tech giants are allowed... let's be honest, they're running things with a black box. We don't know what they're doing. We don't know what they're elevating. We don't know what they're downplaying... Canadians are going to be less informed. And, if Canadians have less opportunity to become informed, it poses a challenge for us that are still in this game, trying to inform Canadians.

Paul Samyn

The Free Press has a different business model than others, in terms of, we have a paywall, so we are not as dependent on traffic coming to our site, but we are still dependent on traffic in terms of

us being able to connect with audiences and to try and convert them to paid subscribers, which are fundamental for the future of our journalism, in large part because a good part of our advertising revenue that was critical to the success of our newsroom is no longer there, because it's gobbled up by Facebook, and it's gobbled up by Google. So, our ability to afford and to play the role that been playing since 1872, has just become that much harder.

Mary-Lynn Young

Thank you, Brian.

Brian Myles

For my part, I see, if the bill actually lives up to the promises, the biggest winner will be CBC Radio, Canada. They're the biggest news organization in the country. And, whether you calculate on labor cost, or digital footprint, you'll end up sending a big fat check to the CBC, made out by Google. And the inclusion of the CBC was highly questionable, from the start. And we, as a publisher in the industry, we didn't say it enough.

The losers so far, and because of the news blocking by Meta, are the publishers of the long tail, the likes of Le Devoir, and other ones, who are dependent on the platforms to find new audiences, new readers, to bring them in the funnel of discovery, and hopefully to get them to subscribe to our content. So, if you depend on user revenues, this blocking is hurting you quite a bit. And, in the not so distant future, because I do believe that... I support the act. I'd like to be clear on that, make no mistake about it, I think we need that Online News Act. It's about a market failure that we need to rebalance, but it's not going to save the industry. There are no leprechauns, a pot of gold and rainbows at the end of the journey.

The industry has high expectations. There won't be enough money on the table, if you have some of, I would say, the following attributes. If you have two of the three following attributes, in my opinion, you're at risk no matter what. If you, one, rely too much on advertising, or free content as the primary business driver in your industry, in your media. Second, if you depend on print too much, and your digital operations are lagging. And third, if you operate in a remote or smaller market where you cannot scale cost. If you have two out of three of those risk factors, you'll be at risk, no matter what the Online News Act will produce.

The second question is the impact. How do we cope with it? I would like to say that when a bluff is a serious threat, it's not a bluff anymore. We need to factor in the blocking by Meta, it's permanent, they won't be back, I don't know how us as, an industry, or the government, will bring them back to the table. They're just gone. And so is the traffic. So, for us the traffic of Meta, it's

minus 700k a month. We were able to work around a bit, and bring that back to minus 400k. That's because we made huge and constant advertising initiatives to bring back the people on board within our own platforms. So, we have ups and downs, less traffic, but more direct users. The consultation on the mobile app is up 30%, the subscriptions to the newsletters, we have plus 5000 within the span of a month, and we were basically able to get 3000 new digital system subscribers, that's paying folks, paying people who will, or are willing to, pay for your product. That's very important in the digital environment, to bring the user revenues in the mix. And, we actually reached a threshold last week, 30,000 Digital subscribers. So, it's not all pessimistic, but it's not optimistic as well.

But, I would like to know, and hear, in the near future is the answer by Google. We do believe that there's still something to be worked out with Google. I'm awaiting their reaction to the publication of the regulations, and starting with this reaction, we're going to see if there's a deal or not to be made with Google to bring them on board. Because, if Google decides to go, at the end, the logic of blocking, it's going to be worse than with Meta, for the publishing industry. We will suffer a great deal.

Mary-Lynn Young

Thanks, Brian, for that comprehensive response from where from where you're sitting. Both of you touched on some issues that are relevant to local news and independent organizations. So, I'd like to shift the question to Tai, in terms of impact on this group, and then go back to Michael, who likely has something to add on winners and losers. So, Tai?

Tai Huynh

Thanks, Marilyn. Yeah, so Local is a nonprofit organization pretty new, launched in 2019, and we do local community journalism to fill some of the gaps within the media landscape. Even in a big city like Toronto, we do a lot of work in various communities, ethnic communities, etc. And we built The Local almost in a way that decouples journalism from advertising, we don't do any advertising. So, in 2019, we decided that we wanted to break free from that. So, the Online News Act and this idea that we need to make up for the loss of revenue from advertising by forcing big tech to pay, that has nothing to do with us. As far as revenue is concerned, what we're most concerned about is, I mean, of course, if money is there, we want to be a part of it, right? If the pie is there, we want to make sure we get our share.

But I think what's most what's going to hit us the most, if things kind of fall through, is really on the audience side, we obviously depend on his platforms to discover, or for audiences to discover us. We did two elections in the last 12 months in Toronto municipal elections, in October, and in

June, just to give you an example, and most of our traffic was driven through Google, probably 60, or 70% of our traffic was through there, and a big part of that was because we're trying to cover the election differently than mainstream outlets. So, we're covering elections at the school trustee level, or the ward level, not just the Mayor's race, and audiences who are searching for information on Election Day found us, and made use of the information. And, if Facebook was, or if Google was going to ban news from their search results, I think that's going to be pretty catastrophic for us. For other outlets that cover civic issues, local democracy, it's going to be a big blow, I think, all across the country. So, I hope we don't get to that point, I think it's going to be a lose-lose situation for everybody, for the big tech, for the Canadian government, and for outlets like ours, especially.

Now, we are not a legacy outlet that's been around for 100 years, so we don't expect people to go on and bookmark our page on their web browser. That's kind of not something that happens for small outlets like us. So, I think we're going to suffer the consequences of this in a much bigger way than some of the existing outlets that have been around for a long time.

So yeah, these are among some of the concerns. Now, I think they're things that we're trying to do to make sure that we mitigate that. As some somebody said earlier, trying to increase our subscriber for email distribution, we're trying to partner with groups like the Toronto Public Library, when it comes to election time, to make sure that we get our materials out there to the various branches across the city, etc. But, I think there is really no making up for the loss of audience that comes from these platforms, particularly Google for us.

Mary-Lynn Young

Great, thank you, Tai. Michael?

Michael Geist

Okay, yeah, thank you, Mary-Lynn. It's been great conversation. I just wanted to get to hit a couple of points. One, I think, respectfully, that one of the mistakes we've seen is an overvaluing of news on the platform. So far, reports suggest that Facebook, and not a big Facebook user, for [inaudible] suggests that user engagement hasn't changed at all, even without news. And so, when we hear that, you know, how are they gonna have a good conversation if they can't link to my paywalled news, that anyone who isn't a subscriber isn't able to access anyway? I'm not totally convinced that it is that game changer. And so, I think you have to include publishers clearly, and we've heard it, as one of the losers that have come out of this. I don't think there are any winners, so far. I think anytime you're making your product worse, or Canadians don't have access to things that they might have liked to have done, everybody loses.

What's more notable is, who are some of the potential winners longer term, and Brian's point that the CBC is a winner, I think is 100% bang on. One of the real risks here, is that the CBC survives this clearly no matter what, so long as funding continues, and its role locally, and in many communities, becomes even more important, and I think that runs a real risk in terms of kind of the diversity of news in many communities.

But there are a few others. I think some of the tech companies that aren't caught by this legislation, because of the definitions, are potential beneficiaries. You know, Google does block, certainly some people will move to Bing, they are a potential winner. Some people may use more of TikTok or LinkedIn, or some of the other services that are out there, rather than Facebook, and those aren't caught either. It's not that there aren't links to news there, it's just the artificial standards that the government has established means that some are included and, and others are not.

And, perhaps most troublingly to me, is that you have to, I think, think about winners who will look at the market and see less competition in that market. So, I look at Post Media, for example, and I say, you know, their best case is to get this big payoff, 35% of your news costs, let's say, covered by Google and Meta. Your next best is that some of the upstart competitors in many of the markets that you're operating in, get hit dramatically, with much of their traffic no longer there, and their ability to continue to survive, no longer there. And so, suddenly, all these new innovative competitors aren't there anymore. And so, I hate to say it, but they're a potential winner here, too.

If where this leads, especially if, as Brian says, Google also departs, it's devastating on the innovative space, and it leaves only a handful, government run media, and potentially a couple of other larger players, wireless companies, for example, that will continue to be able to fund their news if required to do so as part of the general bargain.

Mary-Lynn Young

Thank you, A really a comprehensive answer from all of you on on a difficult set of questions, Brian. And then I think Natalie Turvey wanted to respond potentially, as well. Brian?

Brian Myles

Yes, thank you, I'd like to rebound on what Michael said. It's probably self evident for many participants today, but advertising will remain a part of the revenue mix, but I don't see it as a funding pillar of our industry anymore. And, for us, as the industry, as publishers, the Online News Act doesn't dispose of the urgency to reflect, and to move toward a better connection between

our products, our readers, and our revenues. And this is the piece that's missing in the Online News Act. We didn't pay enough attention on the long tail publishers, like Tsi, like Le Devoir, like so many others, like the Winnipeg Free Press, who need Google, Meta, Facebook, and Instagram, and the funnel to make sure that we find the audience, and we are able to monetize the audience. And yes, there's a risk that the heavyweights will be able to sustain the charge. And the blockade, the blocking, but of smaller ones, it's going to be a mess for us.

Mary-Lynn Young

Thanks, Brian, for that counterpoint. And Natalie Campbell would like to respond as well, Natalie?

Natalie Campbell

Thank you. So, I'd like to expand a bit I mentioned before, the Internet is one of the losers out of the Online News Act. But, you know, just to reiterate how when we hurt the Internet, it hurts everyone, users and businesses alike in Canada. So, when I talk about the Online News Act, being hurtful to the Internet, I'm not talking about the utopian version of the Internet, I'm talking about, it hurts the principles of the Internet, that it actually needs to exist in the first place. URLs are functions meant to make sure that we all can use the Internet, and participate in a way that is open and accessible to all who happen to have access. And, what we've seen with the restrictions, or the company reactions to the upcoming restrictions, was very tangible outcomes for Canadians, and, in some cases in very crisis situations.

So, I happened to be in a Northwest Territories when the Northwest Territories and Canada was facing a its worst forest fire season ever. I used to live there. I used to work there as a journalist many, many moons ago. And, while we can argue about how much Facebook is actually used for news sharing in Canada, I guarantee it's absolutely used for news sharing in the Northwest Territories, which is a large geography of many often isolated communities, how they combined all together and keep connected with loved ones across the North. During the forest fire, particularly in Hay River, which is a small community of about 4000 people, people had lost access to parts of the internet's infrastructure, which meant Internet communications were down for many people, except those who had Starlink connections. But, even then, because Facebook is the way to share news in Hay River, even those that had Starlink connections, and we're trying to communicate with their families and loved ones to say, it's time to evacuate, the last flight is coming this Friday. There were hundreds of people in the community who did not get the message, they could not get the message. And they could not keep in touch with loved ones, or even news, let them know, is it safe to drive out? What happens next, when I evacuate? This was having a very serious impact when people needed the Internet the most, and needed the ability to share news the most.

Now, long term, I have no doubt that the Internet, and innovators online are going to find a way to make the Internet relevant to them, whether that's coming up with a whole new platform to serve their needs to share and exchange news, and I must note that in the absence of that news sharing ability, there was a ton of misinformation, based on what people thought they knew, that were circulating amongst community residents, and those who were evacuated, that was really detrimental when people are facing a really traumatic time. Long term, there's going to be an alternative to Facebook.

But I must say, like, in terms of losers, I also think innovation, and Canadian innovators, are losers, because, regardless of whether the next Facebook comes up outside Canada or within Canada, they're still going to be hit by that wall eventually, and they will be stifled from growing to a point, lest they become subject to the act and have to face what do you need to do to comply with the act. So, I don't think we can understate how the harm to the Internet harms every single one, and every single business, in Canada, but also our ability to innovate, and our ability to make sure that we have access to the open and global Internet.

Mary-Lynn Young

Thanks, Natalie, and thanks for bringing back the audiences and citizens in terms of the impact overall. I mean, Meta has blocked, obviously, audiences, and 25% of Canadians say that they access their news on social. So, I'd like to kind of put this out to the group again, in responding to Natalie, or responding to any data that you may have on what our audience is saying, and what's the impact on them, and start with Tai, and then maybe offer it to Brian or Paul.

Tai Huynh

Yeah, just really briefly, I think it'll impact audiences differently. There was a study recently, I think there was a story in Broadview magazine, about the new seeking behavior of immigrants versus the general population. So, immigrant populations tend to use Facebook a lot more for sharing news. So, this blockage, I think, would definitely have a much bigger impact on some of those populations compared to the general public. So that's, I think, the equity issue around what happens here onwards, I think it's an important element to think about.

Mary-Lynn Young

Thanks, Tai. Paul, Brian, anything to add on audit data that you...

Brian Myles

The good news for us is that we found the audience to be very attached to our products and our contents. So, when Facebook decided to block, we saw them coming back by different doors. We

didn't get the whole traffic back, but having direct traffic is the starting point of building the trust relationship, and onboarding them as subscribers. And, again, we need to put the reader revenue in the mix, and this is what we're trying to do. So, it's going to be a lengthier process, we are going to be crawling instead of running, but we're going to get there. At some point, we'll reach 35,000, 40,000 digital subscribers. It's going to be longer than expected because of the blocking of news, but we'll get there, we'll get there. And, as publishers, we need to build the relationship with the audience.

Don't expect advertising to save you, and the argument that information is a public good to be enough to move forward. We all do public good information, we don't do it all the time. It's not an argument to keep the content free on the digital environments.

I think to your question, Mary. There's confusion out there, still, despite the efforts of the free press and others in our industry to connect with our audiences and let them know what's happening. People have long believed that they could get their news at Facebook. It didn't recognize Facebook doesn't have journalists, doesn't have editors, and is merely a conduit for the stuff that we in the industry have created. So, when they're used to going to Facebook to find things, and they click on those links, they get confused. They don't understand what's going on, and what they do is, they come at us, Why can't I see this anymore? So, there's some confusion there.

Mary-Lynn Young

Thank you.

Paul Samyn

I appreciated what Natalie was saying, in the Northwest Territories, and how difficult that situation was. I have some data here in terms of a fairly significant international news story that happened in Manitoba in June, and that was the fatal bus crash near Carberry, Manitoba, which is now had more lives lost in the Humboldt crash. Our audience, on a day like that, spiked in remarkable ways. On any normal day, we see somewhere between 40 and 60,000 people coming to our website. The traffic on that date doubled, it doubled, because there was huge interest, and people wanted to find things out. And, to a large degree, some of that traffic was coming from Facebook. And so, if that kind of situation happened again, I can guarantee you we're going to have less traffic. If we get to the point where Google also walks away, we would have a situation where, literally, Canadians could not find out any information from the reporters on the ground, about what was happening in their community. And so, that goes back to, I think, we've talked about

what what the losers are, is in terms of people being able to find out what's going on, and for us, having invested resources to make sure that we can grow our audience.

And so, I think, that's what we're bracing for now. For us, in our business model, it's still a little too early for us to see what impact Facebook is having. But Michael is absolutely right, Facebook has had a month now of data, they can see what's happening, and they recognize that their business is not negatively impacted, so why are they going to change?

The one thing I want to add to that is, it wasn't that long ago that Facebook was saying that news was important, and they wanted to strengthen newspapers, like Winnipeg Free Press, and the Free Press, and others in our industry, were part of their journalism accelerator projects, because they said they have a role to play. It's funny how quickly things have changed.

Mary-Lynn Young

Thanks, Paul. And some Australian scholars were saying too, that Meta, basically, that it's no longer part of their model to be in news. So, I think, your point there about the timing they were in, they're not in, is interesting in terms of their overall strategy, Michael, briefly, because we're gonna go to a lightning round...

Michael Geist

I'll be real quick. Things changed because lobby groups and the government passed legislation that demanded payments from links. The notion that a link ought to be paid for, as Natalie suggests, is just anathema to the fundamental structure of the Internet. So, yeah, they had all sorts of deals, that wasn't seen as good enough, driving all that traffic wasn't seen as good enough. Now we have to pay for links as well. And so, yeah, they're backing out because of that.

And this notion, with all respect, that people can't find news, unless they find it by via Meta, is absurd. We do need better media education. So, people do know where to find information. But, when there were wildfires, you could get some of that information through radio, get it directly through the CBC, you could get it on platforms like Meta with government based information, directly from the source. Please, the idea that people can only access information through an intermediary clicking on a link to your site is just fundamentally false.

Paul Samyn

Michael, if the crash, I was saying, as it relates to, if we move forward to Google, and if someone heard about a crash in Carberry, Manitoba, or fires in the Northwest Territories, and they went to

Google those things, and/or look on Facebook, they would not have found the report, it would be blocked.

Michael Geist

If Google moves forward, by any standard, it is disastrous. But let's understand...

Paul Samyn

That's what I'm saying.

Michael Geist

...there's no country in the world that has said 4% of revenues have to go to subsidize this other sector, we've created a model that is effectively pushing this company away. There's little value in news from an advertising perspective, and that kind of 4% number that's contained in the regs, which is a minimum number, is a result of both government, and those that lobbied for this legislation, not taking the prospect that Google would look at it and say it's no longer economic, and they would walk away. So, absolutely, it would be disastrous. We ought to be looking in the mirror to see the legislative choices that were made and the lobbying choices that were made for why we find ourselves in that position.

Mary-Lynn Young

I'm going to jump in here as moderator, and say this is why I really appreciate online zoom discussions, because unlike in print, sometimes, you get one side or the other, this is a diverse set of perspectives in this group, and it's a complicated set of issues that we're talking about. So, I appreciate both of your engagement and willingness to respond about differences. So, quickly, Brian, about Meta, and then I'm going to lightning round. Quickly.

Brian Myles

Yeah. Just quickly, if someone asked me, Brian, what's best for you? Should I get your content from Meta, or go with your app, or go direct traffic, we say go direct, download my app. We need the platforms, but the best relationship is the one that you have one to one, the reader, the media, then together. As far as mMeta, there is something that we need to understand. It was huge when they decided to become Meta, instead of Facebook. They turned to the metaverse, and the business model is evolving. So, news will not be as important as it was previously for them. This is a reality. It's not only about the negotiations, and the bluff, and the blocking, it's a business strategy for them to be the equivalent of Amazon for the NFT in the near future, when we're going to be all happily moving around in the metaverse, which I doubt myself, but, it's a business move as well, we need to understand that.

Mary-Lynn Young

Thank you, Brian. Okay, so lightning round, before we move to audience questions. I'm going to ask each one of you, yes or no. Are you in favor of this legislation as it is? Tai?

Tai Huynh

No, not as it is. No. It needs to recognize more of the challenges that independent smaller startups face, and this is obviously then a massive lobbying effort on the part of some of the big players out there, and we have not been part of that process.

Mary-Lynn Young

Thank you. Natalie?

Natalie Campbell

No. I think the fact that it gives CRTC centralized control to restrict how we use basic functions of the Internet is disastrous, for many reasons, and definitely contributes to Internet fragmentation, which is a future that we want to be steering away, from not gearing towards.

Mary-Lynn Young

Thank you. Paul?

Paul Samyn

Notwithstanding Brian's comments about how CBC benefits in ways that are disproportionate, yes, there has to be some recognition that these companies can, and should be, regulated.

Mary-Lynn Young

Thank you. Brian?

Brian Myles

Yes, we need to start somewhere. And, I don't see the power given to the CRTC being as broad as some would suggest. And, let's bring Google back to the mix, that's our best hope.

Mary-Lynn Young

Thank you. Michael?

Michael Geist

Well, obviously no, and that's not about not regulating these companies. We should be taxing these companies effectively, we should be thinking about other models that aren't linked directly to links, things like fund models, certainly would have been a possibility. The notion that this was the only way to do this, and the only way to regulate, was one of the fundamental mistakes, and why we find ourselves where we are.

Mary-Lynn Young

Hey, really, that's a really nice summary and pulling together. So, we've got two yeses and three noes.

So, the second lightning question is, if not this, what? And, I want to add into this, and actually the audience, and there's a group of journalism students who are also interested in, is there something that could be make all parties happy? I don't know. And, what if we kind of considered the Reuters data that 63% of Canadians tried to actively avoid news in the recent past? So yeah, basically, if not this, what? And let's start with, let's go the reverse order, Michael. Hopefully, I remember.

Michael Geist

Sure. Okay. Well, so I hinted at that earlier, I think there are a number of other approaches. I think, frankly, taxation is the best available model, if we don't think these companies are contributing enough, and we want to ensure that they contribute in the sector, and tax them appropriately, and use some of those tax revenues into the sector. If we think even that isn't enough, you could try a fund model similar to what we find in film and television production, where we aren't in the business of linking it to links in the way that we have, and instead simply say, based, let's say on ad revenue, or something like that, it goes into some sort of fund, and funds journalism, which removes some of the eligibility kinds of questions as well.

And then, even further, if we are stuck with this, we need to explore mechanisms, as I think Brian said, to bring Google back to the table, perhaps offsetting contributions they make here from what would be due under a digital tax system. I think excluding the public broadcaster, frankly, I think excluding public broadcasters more broadly, who are more deep pocketed, based on the way they're structured in this country, and focus on where the real concerns are, which is many times local communities, what used to be seen as print, now increasingly digital, and focus on how we try to support there.

Mary-Lynn Young

Thanks. Brian?

Brian Myles

Yes, I would say the Act and more. Don't forget that we need the Act. But, I would suggest that there's no silver bullet, no one size fits all solution. So, we need to envision many things all together. For local information, we need to maintain IGL, and make sure it's efficient, and the funds go to the very local community reporting that's needed across Canada. We should also be able to help the upstarts and smaller media, with tax deduction, on r&d. Most of us use software as a service, it's not deductible anywhere, so it should be. We could do a lot with that.

And Quebec's government has been exemplary, we have a 35% tax deduction on labor costs. That adds up with a 25% from the federal government. I'm puzzled that we talk about the media being in crisis all the time, and no other province, no other jurisdiction followed in the steps of Quebec. The provinces need to do something for the ecosystem, in their own regions.

Mary-Lynn Young

Thank you. Paul?

Paul Samyn

Just from Michael's point about taxation, I think that is a consideration. The Free Press, federal, provincial, civic, municipal tax is about \$17 million a year. That's, I think, taxation in terms of just the sales tax. Google and Facebook, I think, only moved into that until around 2021. So, there's a leveling of the playing field there, and some contributions, taxation from them might allow for additional revenues.

The other thing, I think, to try and watch is, what's happening in the United States in terms of the trial of Google, as it relates from the monopoly standpoint, and I don't know whether that changes things a little bit. Is it just... it's part of the problem we're having right now, is that Google and Facebook are just so damn big, and so powerful. And if they were less so, would we be having this conversation? And would it be easier for governments in Canada and elsewhere to try and address certain things?

Mary-Lynn Young

Thank you. Natalie?

Natalie Campbell

Thank you. So, I have to say, at the Internet Society, we are not against Internet regulation, and I think that there was a number of suggestions, throughout the consultation process, that could have worked in a way that did not harm what the Internet needs to exist in the first place, such as, you know, creating some kind of a fund. But, I think, the key is that whatever this proposed solution is, we have to start assessing potential impact on the Internet, both what it needs to exist and thrive. And there happens to be things like the Internet Impact Assessment Toolkit, that could be a real tool to help make sure that we can support journalism in a way that doesn't put the Internet at risk of doing so.

Mary-Lynn Young

Thank you. And Tai, we'll give you the last word on this.

Tai Huynh

Thank you. I think so much of this has been trying to Band Aid a broken system. I for one would love to see more policies that help support business model innovation in the journalism space. To its credit, the Canadian government has done some of that in the past, the RJO, the Registered Journalism Organization, is one example that we're benefiting from. This is essentially giving nonprofits like ours, the ability to issue gift receipts, and be a qualified donee, much like a charity would, and that's been helpful to us in terms of driving more donations to the local initiatives, like the journalism, labor tax credit, I mean, others have mentioned that before, I think have been great. I'd like to see that be a bit more progressive. Right now it gives 25% on the dollar for journalism, labor costs, but what it doesn't recognize is really the contributions that freelancers make to content creation, and that I think, needs to be fixed. I'd love to see that 25% apply not just to staff, but also to freelance costs as well, because a lot of smart outlets like ours do depend on freelancers to de-risk our operations, and that needs to be recognized somewhere. So, there's many other ways to try to actually help and support the sector, and I'd love to see more of those things happening.

Mary-Lynn Young

Well, I hope someone's listening and taking notes on the good suggestions that everyone's put forward in terms of other alternatives. And so, we've got seven minutes left before the end of our session, and so we've got some time for maybe one or two audience questions depending on the amount of discussion. So, the first question... we had a bunch of interest, so thank you, again, to everyone listening and watching, for your interest and for your feedback. So, the first question is, under Bill C-18, does the news media see itself as a competitor, or a collaborator, of Google and

Meta? And a second part of that is, is there an ethical issue with accepting Google money as a journalism organization. And please, who would like to respond, maybe? Throw a hand, or..

Mary-Lynn Young

Anyone?

Brian Myles

Well, the ethical reasons? For me, it's not been a factor. We have revenues from advertising all the time. For decades, if not centuries, we were able to maintain journalistic integrity and independence. Our newsroom is made of professionals. We have an Information Policy, we abide by a code of ethics. So, I don't see any ethical dilemma in accepting that money. And yes, the relationship is, is one of codependency. We need Google as much as they need us, for the quality of search. And, this is something that I would like to hear more from my peers, and the government, the fact that we are we should be all part of the solution to maintain a thriving and diverse news ecosystem.

Mary-Lynn Young

It's an interesting comment, Brian, on co-dependence Thank you. Paul?

Paul Samyn

To a degree, we do compete with Facebook, Google, and others, on the advertising side. Obviously, we are much smaller players than we once were. But, I think, the problem here a little bit, and I know the Free Press was part of the discussions with the Competition Bureau, as part of that investigation. If the Free Press is weakened by Facebook's actions, by extension, Facebook is strengthened in terms of its ability on the advertising side. And so, we can't lose sight of the revenue component that is needed to fund journalism.

As for the ethical concern, just to echo what Brian was saying, no. Media have always had some degree of support, sponsorship, whatever you want to call it. Longtime car dealers, there used to be a company called Eaton's that advertised in the Winnipeg Free Press. And we are, as well, recipients of funding from the federal government, both through the Local Journalism Initiative, and the tax credits. I think there are practices, there are policies, and there are guardrails in place, to ensure that the journalism is not impacted by that sponsorship. So, if we have... we, the Free Press, full disclosure, we did have funding arrangements with Facebook, we had funding arrangements with Google, and I don't think there were any problems about that funding impacting our journalism.

Mary-Lynn Young

Great, thank you. And, Michael, if you can keep this quick. So I want to give Tai and Natalie a chance to respond before we close.

Michael Geist

Sure. I'll quickly say that the concern isn't necessarily whether you take the money, it's the lack of transparency associated with it. And, there has been a lack of transparency about the deals that exist, especially amongst some of the larger media companies and big tech. Government has said this, we do a better job than Australia. The truth of the matter is, those deals still would not be public under C-18, and there are existing deals, that there's very little known, and it's both sides, it's both the media companies and the tech companies, that were quite happy to ensure that it's very opaque and not transparent. And, I think, that does raise ethical issues.

Michael Geist

As for the notion that somehow it doesn't impact journalism, just anyone, take a look at the coverage we have seen from the supporters of this legislation, of the legislation itself. It's about a ten to one in terms of op-eds in favor legislation. It's nonstop, using their platforms, from a media perspective, to lobby for this legislation. You can't tell me that, if you get another 35% from these companies, and you're dependent on it, as we see, there's the prospect in Australia, Facebook may now walk away, that somehow it's not going to influence and skew coverage. It simply does. The reality is what we've seen over the last couple of years.

Mary-Lynn Young

Thanks, Michael. Tai, and then Natalie to close.

Tai Huynh

Yeah, whatever happens, here on in, I think we need to avoid the situation of Google blocking us. I think that's going to be an absolute disaster for everybody. I think it's going to affect local democracy, for instance, in a significant way. Like I said, we've covered the municipal election, and voters are looking for information on election day, or the days before, and, if all they're finding is just garbage and misinformation and disinformation, and we've seen that a lot in the US with elections recently, as well as in Toronto, we're going to be in trouble. So, I hope we avoid that situation at all costs.

Mary-Lynn Young

Thank you. 30 seconds, Natalie.

Natalie Campbell

Thank you. I think the key to remember is that the Internet is a force for good. It facilitates interactions. And platforms, I see them as collaborators as much as they're probably competitors in many different ways as well. All different services work together in making sure that there's a free flow of information online, but that relies on an Internet that facilitates those kinds of interactions, and the more that we pass pieces of legislation that takes that for granted, that foundation of an open and global Internet, the more we're going to restrict and hurt the free flow of information online, and everyone involved.

Mary-Lynn Young

Thank you. And thank you, everyone for really your generous contributions and you're thoughtful responses to the questions, and to each other. And I'd like to close with, during COVID, we learned a different way, the importance of the health infrastructure and public policy infrastructure around a global pandemic. I think what we're talking about here is the importance of the journalism infrastructure in Canada, and what does that look like recognizing that there are multiple perspectives on this topic?

Mary-Lynn Young

So thank you again, everyone. It's time to end